

## Message Text

CONFIDENTIAL

PAGE 01 STATE 152902  
ORIGIN NEA-10

INFO OCT-01 ISO-00 AGRE-00 TRSE-00 SSO-00 AID-05  
CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00  
USIA-06 XMB-02 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01  
OMB-01 INRE-00 /054 R

DRAFTED BY NEA/PAB:DBARCHARD:DD  
APPROVED BY NEA/PAB:PWLANDE  
ASIA/BIS:JCOE (INFO)  
USDA:HNORTON (INFO)  
TREASURY:THOOPENGARDNER (INFO)  
-----014134 302201Z /75  
O P 302134Z JUN 77 ZFF4  
FM SECSTATE WASHDC  
TO AMEMBASSY DACCA NIACT IMMEDIATE  
INFO AMEMBASSY NEW DELHI PRIORITY

C O N F I D E N T I A L STATE 152902

NEW DELHI FOR SULLIVAN, AA/AID

E.O. 11652: N/A

TAGS:EAGR, EAID, BG

SUBJECT:STATEMENT FOR THE PARIS CONSORTIUM MEETING  
REF: ADLER/SULLIVAN TELCON  
THERE FOLLOWS THE DRAFT TEXT OF AN OPENING STATEMENT TO BE  
READ BY THE HEAD OF THE U.S. DELEGATION TO THE BANGLADESH  
AID GROUP MEETING. WE WOULD APPRECIATE YOUR COMMENTS AND  
ANY SUGGESTIONS FOR CHANGE BY OPENING OF BUSINESS HERE JULY  
1. QUOTE:

MR. CHAIRMAN: THANK YOU FOR YOUR REMARKS. ON BEHALF OF MY  
GOVERNMENT I WOULD LIKE TO THANK THE BANK STAFF FOR ANOTHER  
USEFUL AND PERCEPTIVE BANK REPORT. THE UNITED STATES HAS  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 152902

REVIEWED THE COUNTRY ECONOMIC MEMORANDUM FOR BANGLADESH  
AND WE GENERALLY CONCUR IN ITS FINDINGS.

THE UNITED STATES IS GRATIFIED TO SEE THE SUCCESS OF THE  
STABILIZATION POLICY AND RECENT BANGLADESH GOVERNMENT MOVES  
TOWARD DENATIONALIZATION OF SOME INDUSTRIES AND LIBERALIZA-  
TION OF FOREIGN INVESTMENT. THIS IS ENCOURAGING AND WE ARE

VERY HAPPY TO SEE THAT THE NEW GOVERNMENT BUDGET CONTINUES  
ALONG THIS VEIN.

FURTHER, WE ARE ENCOURAGED BY THE SIGNIFICANT PROGRESS THAT  
THE BANGLADESH GOVERNMENT HAS MADE IN THE AREA OF FAMILY

PLANNING. THE BANGLADESH GOVERNMENT HAS DEMONSTRATED ITS  
CONCERN WITH THE HIGH POPULATION GROWTH RATE AND ITS FIRM  
INTENTION TO GIVE THE POPULATION PROBLEM PRIORITY ATTENTION.  
WE BELIEVE THAT THE GOVERNMENT SHOULD CONTINUE TO PLACE  
HIGH PRIORITY ON FAMILY PLANNING AND IN PARTICULAR WE  
URGE THAT MORE ATTENTION BE PAID TO STRENGTHENING PROGRAM  
COORDINATION, ADMINISTRATION AND TRAINING. COORDINATION  
AND INTEGRATION OF ACTIVITIES BETWEEN THE HEALTH AND FAMILY  
PLANNING DIVISIONS OF THE MINISTRY OF HEALTH, POPULATION  
CONTROL AND FAMILY PLANNING, WOULD IN OUR VIEW, LEAD TO  
SIGNIFICANT IMPROVEMENTS IN THE PROVISION OF BOTH HEALTH  
AND FAMILY PLANNING SERVICES. WE AGREE WITH THE BANK RE-  
PORT THAT THE PRESENT COMMERCIAL AND COMMUNITY BASED  
CONTRACEPTIVE DISTRIBUTION PROJECTS SHOULD BE EXPANDED.  
MY GOVERNMENT IS PREPARED TO CONSIDER PROVIDING ADDITIONAL  
SUPPORT TO ASSIST THE EXPANSION OF COMMUNITY-BASED DIS-  
TRIBUTION ACTIVITIES AND INTEGRATED HEALTH/FAMILY PLANNING  
EFFORTS.

MY GOVERNMENT FULLY AGREES WITH THE IBRD'S CONCLUSION THAT  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 152902

DOMESTIC FOODGRAIN PRODUCTION IS HINDERED BY THE ABSENCE  
OF A COMPREHENSIVE FOODGRAIN POLICY. IN PARTICULAR, THE  
U.S. GOVERNMENT IS GRAVELY CONCERNED THAT PRESENT PRICING  
POLICIES MAY OFFER BANGLADESHI FARMERS LITTLE INCENTIVE TO  
INCREASE THEIR PRODUCTION, WHILE AT THE SAME TIME, FOOD  
DISTRIBUTION POLICIES HAVE BURDENED THE BUDGET AND HAVE NOT  
YET BEEN EFFECTIVE IN REACHING THOSE MOST IN NEED. WE ARE  
COGNIZANT OF THE DIFFICULTIES IN REDUCING THE RATION SYSTEM,  
BUT NEVERTHELESS WE URGE A GRADUAL MOVEMENT IN THIS DI-  
RECTION. FURTHER, WE FEAR THAT FOODGRAIN IMPORTS ACT AS  
A DISINCENTIVE TO DOMESTIC FOODGRAIN PRODUCTION. WE THINK  
IMPORTS MUST BE CLOSELY MONITORED TO ASSURE THEIR ARRIVAL  
ONLY WHEN A NEED EXISTS. DOMESTIC FOODGRAIN PRODUCTION  
WILL ONLY RISE WHEN THE BANGLADESHI FARMER IS ASSURED A  
FAIR RETURN FOR HIS PRODUCTION. WE CANNOT URGE MORE  
STRONGLY THAT THE BANGLADESH GOVERNMENT TAKE MEASURES TO  
IMPLEMENT A COMPREHENSIVE FOODGRAIN POLICY THAT WILL EN-  
COURAGE INCREASED PRODUCTION AND, AT THE SAME TIME, ASSURE  
THAT ADEQUATE FOOD IS AVAILABLE. COORDINATION OF FOOD AID  
IS ALSO ESSENTIAL TO OBTAIN TIMELY DELIVERIES AS WELL AS  
TO AVOID THE PORT CONGESTION AND SPOILAGE THAT HAVE OCCURRED  
IN THE PAST. CANDID AND CONTINUOUS DIALOGUE BETWEEN THE

BANGLADESH GOVERNMENT AND FOOD AID DONOR REPRESENTATIVES IN DACCA ARE CRITICAL TO ENABLE US TO RESPOND QUICKLY AND APPROPRIATELY AS FOOD NEEDS ARISE.

WE JOIN THE BANK IN URGING FURTHER IMPROVEMENT IN THE BANGLADESH GOVERNMENT'S DEVELOPMENT PLANNING AND ADMINISTRATION. THE U.S. GOVERNMENT RECOGNIZES BANGLADESH'S

TREMENDOUS NEEDS, BUT AT THE SAME TIME WE REALIZE THAT BANGLADESH'S ABILITY TO USE THAT ASSISTANCE WE STAND READY TO PROVIDE IS CRUCIALLY DEPENDENT UPON THE EFFECTIVENESS OF ITS ADMINISTRATIVE STRUCTURES. THE SHORTAGE OF SKILLED MANPOWER AND WEAKNESS IN PLANNING MECHANISMS APPEAR TO BE MAJOR BOTTLENECKS CALLING FOR ATTENTION. WE FEEL THAT THE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 152902

PREPARATION OF A FIVE-YEAR PLAN WOULD RESULT IN A SIGNIFICANT CLARIFICATION OF DEVELOPMENT STRATEGY.

AGAIN, WE JOIN THE BANK IN NOTING THAT THE RATE OF PROJECT AID DISBURSEMENT HAS BEEN LAGGING. THE AID PIPELINE TO BANGLADESH IS CURRENTLY VERY HIGH. BANGLADESH'S NEED TO DEVELOP IS CRITICAL. WE CONSIDER IMPROVING PROJECT IMPLEMENTATION CAPABILITIES AND STRENGTHENING THE MANAGEMENT AND ADMINISTRATION OF KEY DEVELOPMENT AGENCIES TO BE HIGH PRIORITY. IT IS IN THE IMPACT OF EFFECTIVELY IMPLEMENTED PROGRAMS ON THE LIVES OF THE PEOPLE OF BANGLADESH THAT DEVELOPMENT ASSISTANCE FINDS ITS REAL MEANING.

MY GOVERNMENT IS PLEASED TO NOTE THE PROGRESS, OVER THE PAST YEAR, IN THE INCREASED MOBILIZATION OF DOMESTIC RESOURCES. BETTER TAX COLLECTION AND RESTRAINT ON NON-DEVELOPMENTAL SPENDING HAS RELEASED MORE RESOURCES FOR THE DEVELOPMENT EFFORT. WE APPLAUD THESE GAINS AND LOOK FORWARD TO CONTINUED PROGRESS.

THE BANK REPORT NOTES, AND WE AGREE, THAT BANGLADESH'S EXPORT PERFORMANCE HAS BEEN DISAPPOINTING. CLEARLY, LONG-TERM REDUCTION IN THE NEED FOR FOREIGN CAPITAL WILL REQUIRE AN ATTENDANT EXPANSION OF BOTH TRADITIONAL AND NON-TRADITIONAL EXPORTS. MOREOVER, WE NOTE THAT DEBT-SERVICE PAYMENTS ARE BEGINNING TO CREATE A SIGNIFICANT BURDEN. WE HAVE TRIED TO SHIFT MORE OF OUR ASSISTANCE TO GRANTS AND WE WOULD HOPE THAT OTHER DONORS DO THE BEST THEY CAN TO INCREASE THE CONCESSIONALITY OF THEIR TERMS.

IN SUMMARY, I CAN SAY THAT THE UNITED STATES STRONGLY SUPPORTS BANGLADESH'S DEVELOPMENT PROGRAM. IN PARTICULAR, WE ARE COMMITTED TO HELPING BANGLADESH ACHIEVE FOOD SELF-  
CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 152902

SUFFICIENCY. WE BELIEVE THIS IS AN ATTAINABLE GOAL BUT THAT IT WILL REQUIRE A CLEAR AND REALISTIC FOODGRAIN POLICY AS WELL AS DONOR COORDINATION. MY GOVERNMENT IS PREPARED TO WORK WITH THE GOVERNMENT OF BANGLADESH, THE BANK, AND OTHER DONORS AND TO CONTINUE TO SUPPORT PROGRAMS FOR BETTERING THE HUMAN CONDITION IN BANGLADESH.

AGAIN, MR. CHAIRMAN, I WISH TO THANK YOU FOR THIS OPPORTUNITY TO EXPRESS MY GOVERNMENT'S VIEWS.

SECOND STATEMENT.

SUBJECT TO CONGRESSIONAL ACTION AND THE AVAILABILITY OF FUNDS, THE UNITED STATES LOOKS FORWARD TO PROVIDING 101 MILLION DOLLARS OF DEVELOPMENT ASSISTANCE GRANTS IN THE U.S. 1978 FISCAL YEAR. THIS INCLUDES 5 MILLION DOLLARS FOR ASSISTANCE IN MALARIA CONTROL IF THIS NEED CANNOT BE MET BY DONORS NOW PLANNING ASSISTANCE IN THIS AREA.

IN ADDITION, WE HAVE PRESENTED TO OUR CONGRESS A PLANNING FIGURE OF 94 MILLION DOLLARS IN PL-480 TITLE I COMMODITIES. AS SUCH IT IS ONLY A ROUGH INDICATION OF A POTENTIAL PL-480 TITLE I PROGRAM. THE ACTUAL AMOUNTS DELIVERED, OF COURSE, WILL DEPEND UPON THE NEEDS OF BANGLADESH, AVAILABILITY IN THE UNITED STATES, AND POSITIVE MOVEMENT ON THE PART OF THE BANGLADESH GOVERNMENT TOWARD ENACTMENT OF SELF-HELP MEASURES. THE U.S. GOVERNMENT RECOGNIZES THE CONTINUED NEED FOR FOOD AID AS WELL AS THE NECESSITY FOR THE BANGLADESH GOVERNMENT TO BE ABLE TO DETERMINE IN ADVANCE WHEN FOOD SHIPMENTS WILL ARRIVE AND HOW MUCH IS PROGRAMMED. WE CONTINUE TO WATCH THE FOOD SITUATION CLOSELY AND WITH CONCERN, AND IN THE EVENT OF A FOOD EMERGENCY WE WOULD ACT PROMPTLY.

PL-480 TITLE II COMMODITIES ARE PROGRAMMED PRIMARILY IN EMPLOYMENT GENERATING FOOD-FOR-WORK PROGRAMS AND THE U.S. EXPECTS TO PROVIDE 10 MILLION OF TITLE II COMMODITIES FOR  
CONFIDENTIAL

CONFIDENTIAL

PAGE 06 STATE 152902

THIS PURPOSE. VANCE

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSORTIUMS, MEETINGS, FOREIGN POLICY POSITION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 30-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE152902  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** DBARCHARD:DD  
**Enclosure:** DG ALTERED  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770234-0547  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t1977061/aaaaabab.tel  
**Line Count:** 218  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 96fc7f72-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 22-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1991614  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** STATEMENT FOR THE PARIS CONSORTIUM MEETING  
**TAGS:** EAGR, EAID, BG  
**To:** DACCA  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/96fc7f72-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009